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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION FROM

FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO.

COUNTRY Communist China

DATE OF
INFORMATION 1949

SUBJECT Economic - Trade

HOW
PUBLISHED Daily newspapers

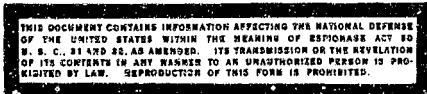
DATE DIST. 12 Jan 1950

WHERE
PUBLISHED Hong Kong

NO. OF PAGES 2

DATE
PUBLISHED 29 Nov - 4 Dec 1949

LANGUAGE Chinese

SUPPLEMENT TO
REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE Newspapers as indicated.

LARGE PROFITS STIMULATE
HONG KONG-NORTH CHINA TRADE

FOREIGN SHIPS RUN BLOCKADE FOR PROFIT -- Ho'n-sheng Wan-pao, 4 Dec 49

The main reason for the attempts of shipping companies to run the Nationalist blockade from Hong Kong to Shang-hai is, of course, the large profits involved. Before the fall of Shang-hai, the freight charge from Hong Kong to Shang-hai was about 45 Hong Kong dollars per ton. Now US shipping companies are charging 165 dollars per ton, the British companies 120 to 140, and Panamanian and Norwegian companies 100 to 120 dollars per ton.

All ships sail under contracts which permit them to put in at North China ports if they are unable to reach Shang-hai and unload cargoes at these ports. The freight charge from Hong Kong to Ch'ing-ao and T'ien-ching is 70 Hong Kong dollars cheaper than to Shang-hai. Even when cargoes have to be unloaded at either Ch'ing-ao or T'ien-ching, the shipping companies are paid the freight charge to Shang-hai, if the cargoes were originally consigned to Shang-hai. Thus, it can be seen that shipping firms are in a more advantageous position than the foreign trade merchants since their losses would not be as heavy as those of the merchants if their ships do not reach Shang-hai.

It is more economical for merchants to have cargoes unloaded directly at Shang-hai because of the railroad freight charge of 400,000 yuan in People's bank notes (300 Hong Kong dollars) per ton for reshipment from Ch'ing-ao or T'ien-ching to Shang-hai.

The tremendous difference in the price of goods is, of course, another factor which encourages merchants to send goods to Shang-hai. For example, one ton (133 pounds) of crude rubber, costing 115 Hong Kong dollars, brings 900 Hong Kong dollars in Shang-hai, and one barrel of caustic soda, costing 245 Hong Kong dollars, brings 1,500 Hong Kong dollars in Shang-hai.

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SHANG-HAI TRADE INCREASES -- Wen-hui Pao, 1 Dec 49

Reports from Shang-hai indicate a daily increase in both foreign and domestic trade. Exports of green tea, casings, needlework, silk, straw hats, etc., totaled 52 billion yuan in People's bank notes during the last 10 days of November 1949. Imports of cotton, dyestuffs, caustic soda, paper, chemicals, gasoline and crude oil, rubber, hardware, wool, gunny sacks, and machinery amounted to 25,763 pieces weighing 81 metric tons.

During the same period, 53,547 metric tons of cargo were brought into Shang-hai by small boats from the interior. This included cotton, coal, rice, vegetable oil, soybeans, chemical raw materials, wooden and metal goods, 3,720 metric tons of cotton-weaving machinery, cotton cloth, cigarettes, salt, and machinery and electrical equipment.

HONG KONG--T'IENT-CHING TRADE FLOURISHES -- Wen-hui Pao, 3 Dec 49

Hong Kong -- T'ien-ching trade rose sharply during 1949 because of the Nationalist blockade. Banks handling foreign exchange deposits in Hong Kong report that the average foreign exchange remittance of firms engaged in trade between Hong Kong and T'ien-ching was 2 million Hong Kong dollars for November 1949, as compared with an average of 500,000 to 600,000 Hong Kong dollars for firms engaged in Hong Kong--Shang-hai trade.

CUSTOMS TO INSPECT EXPORT GOODS -- Wen-hui Pao, 29 Nov 49

To maintain the high quality of Chinese export goods in the world market the T'ien-ching Customs Inspection Bureau issued the following regulation. on 18 November 1949.

1. Owners bringing goods from neighboring areas and passing through T'ien-ching will be required to apply for inspection of their goods.
2. Owners bringing goods from neighboring areas to T'ien-ching to export said goods will be required to obtain export permits from this bureau. Owners of goods must obtain inspection certificates from their local inspection offices which shall be forwarded together with applications for export permits.
3. This bureau will determine whether the condition of the goods concerned is as represented in the application for export permits and in the inspection certificate of local inspection offices. If there are no misrepresentations, the applications will be stamped "Approved."
4. Raw silk, tea, hides, fruits, vegetables, seeds, etc., must have passed the inspection of local inspection offices. Processed goods such as dried meat, casings, etc., for which original inspection permits cannot be secured, will require veterinary inspection permits.

KUANG-CHOU--HAN-K'OU RR HELPS FLOW OF GOODS -- Wen-hui Pao, 30 Nov 49

Since the reopening of the Kuang-chou--Han-k'ou line, increasing quantities of goods are being shipped over this route because of the tight KMT blockade.

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